waiting for signs of improvement elsewhere, before opening their wallets. Indeed, the high level of unemployment and the discouraging job outlook are causing many people to continue to curtail their buying plans. According to the Conference Board's October survey, consumer attitudes remain sour and as a result, few intend to buy a home, a car, major appliances or home furnishings in the next six months.

Similarly, purchasing managers of the nation's largest industrial companies are still exercising extreme caution in their buying policies. In October, a majority of those surveyed by the National Association of Purchasing Management said that they were ordering materials as close to the actual need as possible; 60 per cent of them are buying production materials no further ahead than one month. By contrast, at the start of this recession, most were buying two to three months ahead. What is more, 51 per cent of them are buying maintenance, repair or operating supplies on a hand-to-mouth basis—the highest proportion in the history of this survey.

An examination of the labor markets also arouses suspicion about the imminence of an economic recovery. Massive layoffs, which helped produce the 10.4 per cent rate of unemployment in October, are affecting more and more industries (see chart on page 1). Even the service-producing sector of the economy, which until recently, has seen only slower growth in employment, has now posted

Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 11/3/82	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	141.223	– .472	+ 8.562
Loans to Depository Inst.	.459	+ .007	– .774
Float	1.850	+ .115	– .690
Total Reserve Bank Credit	153.623	– .158	+ 7.333
Treasury Deposits with Federal Reserve Banks	2.654	– .120	– .756
Currency Outside Banks	132.453	– .188	+ 9.345
Member Bank Reserves:			
Required	40.703	– .075	+ .168
Excess (Deficiency)	.552	+ .222	+ .148
Total Reserves Held	41.255	+ .147	+ .316
Net Free Reserves	.362	+ .215	+ .605
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	101.394	+ 1.191	+10.240

Monetary Aggregates†		% Change Since Three Months Ago*	% Change Since Year Ago
M1 (10/27/82)	470.2	+ 14.5‡	+ 8.0‡
M2 (September '82)	1,954.1	+ 9.7	+ 9.9
M3 (September '82)	2,362.3	+ 11.6	+ 10.5
L (July '82)	2,830.5	+ 12.7	+ 11.9

†Seasonally adjusted. *Seasonally adjusted annual rate. ‡Four-week moving average.

New York Money Market

Offering Rates 11/12/82	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	8.10%	8.40%	8.47%
* Federal Agencies	8.00	8.65	9.60
* Project Notes–Taxfree (46% Taxable Equivalent)	7.96	8.24	9.26
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market–Prime	9.10	9.25	10.00

‡Finance Company Paper–Prime		‡* Bankers' Acceptances	
5- 14 days	9.00%	Dec.	8.70%
15- 29 days	9.00	Jan.	8.75
30- 59 days	8.75	Feb.	8.85
60- 89 days	8.63	Mar.	8.85
90-179 days	8.50	Apr.	8.90
180-239 days	8.50	May	8.85
240-270 days	8.50		

‡Industrial Paper–Prime		†Federal Funds	
30- 89 days	8.50%	Effective Rate	9.65%
90-120 days	8.50		

‡Discount basis. * Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period	Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	3rd Q'82 $ 3,091	$ 3,045	$ 2,981
Gross National Product (1972 Dollars)*	3rd Q'82 $ 1,481	$ 1,478	$ 1,510
Percent Change, Annual Rate	3rd Q'82 0.8	2.1	2.2
Change in Consumer Prices (all urban consumers)*	Sep '82 2.4%	3.6%	13.2%
Change in Producer Prices*	Sep '82 – 1.2%	7.2%	2.4%
Civilian Employment (Thousands of Persons)†	Oct '82 99,093	99,720	100,343
Unemployment as % of Civilian Labor Force†	Oct '82 10.4%	10.1%	8.0%
Personal Income*	Sep '82 $ 2,605	$ 2,597	$ 2,479
Leading Indicators Composite Index (1967=100)†	Sep '82 130.4	129.7	130.7
Industrial Production Index (1967=100) †	Sep '82 137.3	138.1	151.6
Net Change in Consumer Installment Credit†	Sep '82n $ 1.09	$ 0.07	$ 2.98
U.S. Merchandise Trade Balance †	Sep '82 –$ 4.19	–$ 7.08	–$ 2.77
Plant and Equipment Expenditures*	4th Q'82 $324.47(a)	$328.04(a)	$327.83
Private Housing Starts (Thousands of Units)*	Sep '82 1,146	1,002	899
New Construction Expenditures*	Sep '82 $ 229.8	$ 230.2	$ 233.5
Total Business Inventories†	Sep '82n $ 515.3	$ 514.6	$ 515.3
Total Business Sales†	Sep '82n $ 338.4	$ 339.5	$ 353.7

*Seasonally adjusted annual rate. †Seasonally adjusted. n-Newly reported figure. a-Anticipated.

declines in two of the past three months. While the wholesale and retail trade industries suffered the most, employment levels in the transportation and public utilities, finance, insurance and real estate and the federal government are also down.

Of the 20 major goods-producing industries monitored by the Bureau of Labor Statistics, 17 reduced their payrolls of production workers in October. Only three nondurable goods industries—food and kindred products, petroleum and coal products and textile mill products—added workers. In addition, the average workweek of production and nonsupervisory workers was cut in more than half of these 20 industries, portending further layoffs in the near future.

Some Areas Remain Strong

Although no region of the country has been untouched by the recession, some areas are less affected than others. Spurred by military projects, high technology and financial services, and aided by the recent decline in interest rates, business is thriving in several areas around the nation.

For example, Long Island, New York, has resisted the recession far better than other parts of the country. Benefiting from the expansion of small companies which had fled New York City's high labor and land costs in the mid-1970s, Long Island has developed into a high-technology center. A large number of small, owner-run companies serve the defense industry and other rapidly growing markets

Short Term Paper Outstanding

(Millions of Dollars)

	Latest Week	Change Since Week Ago	Change Since Year Ago
Negotiable Time CD's Weekly Reporting Banks			
Nationwide (10/27/82)	146,628	– 1,204	+18,511
New York City (10/27/82)	38,768	+ 539	+ 6,536
Commercial Paper (10/27/82)	170,075	– 1,786	+ 5,445

Bank Loans

(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (10/27/82)	216,847	– 943	+29,158
New York City (10/27/82)	61,671	– 334	+ 7,439

Total Loans Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (10/27/82)	499,702	– 2,808	+44,125
New York City (10/27/82)	119,772	– 1,937	+12,411

Financial Markets

	Friday 11/12/82	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	8.30%	+ .25	– 2.64
180-Day Bills†	8.65	– .10	– 3.18
Longest Bills†	8.70	– .40	– 3.33
Recent Issues:			
9 3/4s 10/31/84	9.80	+ .05	
12 1/4s 9/30/86	10.30	+ .08	
10 1/2s 11/15/92 (When Issued)	10.55	+ .05	
10 3/8s 11/15/12 (When Issued)	10.45	NA	
Municipals:			
Bond Buyer–20 Bond Index* (11/11/82)	9.92%	– .04	– 1.51
Blue List Total ($ Million)	$1,229	+ $108	+ $ 526
30-Day Visible Supply ($ Million)	$5,619	– $697	+ $3,494
Total	$6,848	– $589	+ $4,020
Corporates:			
Moody's Aa Composite (11/11/82)	12.50%	+ .07	– 2.48
30-Day Visible Supply ($ Million) ‡	$ 882	– $113	NA
Stocks:			
Dow-Jones Averages:			
Industrials	1,039.92	– 11.86	+ 184.04
Transportation	444.84	– 7.35	+ 58.28
Utilities	119.42	– 3.13	+ 8.45
65 Stocks	406.62	– 6.05	+ 59.95
Standard and Poor's 500 Stocks	139.53	– 2.63	+ 17.86
N.Y.S.E. Composite Index	80.69	– 1.14	+ 9.84
N.Y.S.E. Avg. Daily Vol. for Week (000's)	94,760	–17,632	+ 45,570

* 46% Taxable equivalent 18.37%.
‡Series redefined: Historical data not available.
† Bond equivalent.

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 11/12/82	Week Ago
Overnight	9.00%	9.50%
1 month	9.50	9.50
3 month	9.69	9.69
6 month	9.88	9.75
1 year	10.13	10.13
EURODOLLAR BONDS Average Yield		
Medium Term (5 to 7 yrs.)	12.45%	12.45%
Long Term (7 to 15 yrs.)	12.50	12.50

FOREIGN EXCHANGE SPOT RATES

New York Opening (11/12/82)	U.S. $ Equivalent	Currency Per U.S. $
Belgium	.01994	50.16
Canada	.8165	1.2248
Denmark	.1103	9.0675
France	.1368	7.3125
Germany	.3863	2.5888
Italy	.0006724	1487.20
Japan	.003734	267.83
Mexico	.007968	125.50
Netherlands	.3554	2.8135
Switzerland	.4487	2.2288
U.K.	1.6530	.6050

such as telecommunications and computers and provide a broad and varied economic base. As a result, Long Island's jobless rate in September was only 5.7 per cent—little more than half the national average.

Defense projects, along with finance, have also enabled many areas in Connecticut to outpace the national economy. In particular, Greenwich and Stamford have grown as headquarter cities attracting large corporations through the amenities of suburban living along with close proximity to New York City. In September, 1982, Stamford's unemployment rate of 3.5 per cent was the lowest in the nation for any major city.

After reducing Maine's jobless rate in 1981 to below the national average for the first time in a quarter of a century, the electronics, defense and service industries continued to keep the state's unemployment levels relatively low in 1982. Portland, the state's largest city, has grown as a center of services for new business, attracting banks, financial, retail and other service industries. In August, 1982, Portland's unemployment rate was 5.7 per cent. By contrast, in the 1973-75 recession, the Portland-area jobless rate reached 11 per cent.

In Atlanta, growth in service industries, particularly in travel agencies, hotels, legal and financial services and retail trade, is taking up much of the slack left by the slumping manufacturing sector. Atlanta's unemployment rate of 6.1 per cent is testimony to this. Washington, D.C., with a jobless rate of six per cent, may have lost 10,000 federal government jobs in the past year—but 8,000 private industry jobs, particularly in the computer and communications fields, were added at the same time.

Elsewhere, the commercial construction boom persists despite recession. In San Francisco, construction of a record 6.8 million square feet of downtown office space is in progress. In San Diego, New Orleans, Denver, Boulder, Indianapolis and New York, office buildings, hotels and shopping centers are under various stages of development helping to keep at bay the worst effects of the national recession. Of course, this may not last much longer, since demand for office space has already begun to slacken, while the strong dollar combined with recessions overseas has hurt tourism. ■

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